## Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)
Ameritech Operating Companies Petition for	) WCB/Pricing File No. 06-8
Pricing Flexibility for Special Access and	)
Dedicated Transport Services	)
-	)
Southwestern Bell Telephone Company	) WCB/Pricing File No. 06-9
Petition for Pricing Flexibility for Special	)
Access and Dedicated Transport Services	)
•	,

**ORDER** 

**Adopted:** May 12, 2006 **Released:** May 12, 2006

By the Associate Chief, Wireline Competition Bureau:

#### I. INTRODUCTION

1. On January 19, 2006, the Ameritech Operating Companies (Ameritech)<sup>1</sup> and Southwestern Bell Telephone Company (SWBT) (collectively AT&T) filed petitions for pricing flexibility for certain special access and dedicated transport services in several designated geographic markets in their service territories.<sup>2</sup> We received one opposition to AT&T's petitions.<sup>3</sup> As detailed below, the Commission established the parameters for granting pricing flexibility for special access and dedicated transport services in its *Pricing Flexibility Order*.<sup>4</sup> In doing so, the Commission recognized the importance of granting pricing flexibility to incumbent local exchange carriers (LECs) as competition

<sup>2</sup> See Petition of Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Ameritech Wisconsin for Pricing Flexibility, WCB/Pricing File No. 06-08 (filed Jan. 19, 2006) (Ameritech Petition); Petition of Southwestern Bell Telephone Company for Pricing Flexibility, WCB/Pricing File No. 06-09 (filed Jan. 19, 2006) (SWBT Petition); Pleading Cycle Established for Ameritech Operating Companies and Southwestern Bell Telephone Company Petitions for Pricing Flexibility for Special Access and Dedicated Transport Services, WCB/Pricing File Nos. 06-08 and 06-09, Public Notice, DA 06-127 (Wireline Comp. Bur. rel. Jan. 23, 2006). A list of the specific services for which AT&T seeks pricing flexibility can be found in Appendix A to this order. Appendix B to this order sets forth the forms of pricing flexibility (Phase I or Phase II) requested by each company and lists the Metropolitan Statistical Areas (MSAs) and non-MSAs for which the relief is requested.

<sup>&</sup>lt;sup>1</sup> The Ameritech Operating Companies are Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Ameritech Wisconsin, collectively.

<sup>&</sup>lt;sup>3</sup> See Level 3 Communications, LLC, Opposition, WCB/Pricing File Nos. 06-08 and 06-9 (filed February 3, 2006) (Level 3 Opposition).

<sup>&</sup>lt;sup>4</sup> See Access Charge Reform, CC Docket No. 96-262, Fifth Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Red 14221 (1999) (*Pricing Flexibility Order*), aff'd, WorldCom, Inc. v. FCC, 238 F.3d 449 (D.C. Cir. 2001).

develops in the market for interstate access services "to ensure that our own regulations do not unduly interfere with the operation of these markets." For the reasons that follow, we grant AT&T's petitions.

#### II. BACKGROUND

- 2. To recover the costs of providing interstate access services, incumbent LECs charge interexchange carriers (IXCs) and end users for access services in accordance with the Commission's Part 69 access charge rules. In the *Access Charge Reform First Report and Order*, the Commission adopted a market-based approach to access charge reform, pursuant to which it would relax restrictions on incumbent LEC pricing as competition emerges. At that time, the Commission deferred resolution of the specific timing and degree of pricing flexibility to a future order. Subsequently, in the *Pricing Flexibility Order*, the Commission provided detailed rules for implementing the market-based approach.
- 3. The framework the Commission adopted in the *Pricing Flexibility Order* grants progressively greater flexibility to LECs subject to price cap regulation as competition develops, while ensuring that: (1) price cap LECs do not use pricing flexibility to deter efficient entry or engage in exclusionary pricing behavior; and (2) price cap LECs do not increase rates to unreasonable levels for customers that lack competitive alternatives.<sup>10</sup> In addition, the reforms are designed to facilitate the removal of services from price cap regulation as competition develops in the marketplace, without imposing undue administrative burdens on the Commission or the industry.<sup>11</sup>
- 4. In keeping with these goals, the Commission established a framework for granting price cap LECs greater flexibility in the pricing of interstate access services once they make a competitive showing, or satisfy certain "triggers," to demonstrate that market conditions in a particular area warrant the relief they seek. Pricing flexibility for special access and dedicated transport services<sup>12</sup> is available in

<sup>&</sup>lt;sup>5</sup> Pricing Flexibility Order, 14 FCC Rcd at 14224, para. 1.

<sup>&</sup>lt;sup>6</sup> 47 C.F.R. Part 69. Part 69 establishes two basic categories of access services: special access services and switched access services. *Compare* 47 C.F.R. § 69.114 *with* 47 C.F.R. § 69.106. Special access services employ dedicated facilities that run directly between the end user and an IXC point of presence (POP), the physical point where an IXC connects its network with the LEC network. Charges for special access services generally are divided into channel termination charges and channel mileage charges. Channel termination charges recover the costs of facilities between the customer's premises and the LEC end office and the costs of facilities between the IXC POP and the LEC serving wire center. *See* 47 C.F.R. § 69.703(a). Channel mileage charges recover the costs of facilities (also known as interoffice facilities) between the LEC serving wire center and the LEC end office serving the end user. *See Pricing Flexibility Order*, 14 FCC Rcd at 14226-27, paras. 8-10.

<sup>&</sup>lt;sup>7</sup> Access Charge Reform, CC Docket No. 96-262, First Report and Order, 12 FCC Rcd 15982 (1997) (Access Charge Reform First Report and Order), aff'd, Southwestern Bell Tel. Co. v. FCC, 153 F.3d 523 (8<sup>th</sup> Cir. 1998).

<sup>&</sup>lt;sup>8</sup> Access Charge Reform First Report and Order, 12 FCC Rcd at 15989, para. 14.

<sup>&</sup>lt;sup>9</sup> Pricing Flexibility Order, 14 FCC Rcd at 14225, para. 4.

<sup>&</sup>lt;sup>10</sup> *Id.* at 14225, para. 3. The Commission instituted price cap regulation for the Regional Bell Operating Companies (RBOCs) and GTE in 1991, and permitted other LECs to adopt price cap regulation voluntarily, subject to certain conditions. *Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Second Report and Order, 5 FCC Rcd 6786, 6818-20, paras. 262-79 (1990). The *Pricing Flexibility Order* applies only to LECs that are subject to price cap regulation. *Pricing Flexibility Order*, 14 FCC Rcd at 14224, para. 1 n.1.

<sup>&</sup>lt;sup>11</sup> Pricing Flexibility Order, 14 FCC Rcd at 14225, para. 3.

<sup>&</sup>lt;sup>12</sup> For purposes of pricing flexibility proceedings, "dedicated transport services" refer to services associated with entrance facilities, direct-trunked transport, and the dedicated component of tandem-switched transport. *Id.* at (continued....)

two phases, based on an analysis of competitive conditions in individual MSAs or non-MSA parts of the study area. <sup>13</sup>

- 5. Phase I Pricing Flexibility. A price cap LEC that obtains Phase I relief is allowed to offer, on one day's notice, contract tariffs<sup>14</sup> and volume and term discounts for qualifying services, so long as the services provided pursuant to contract are removed from price caps. To protect those customers that may lack competitive alternatives, a price cap LEC receiving Phase I flexibility must maintain its generally available, price cap-constrained tariffed rates for these services. To obtain Phase I relief, a price cap LEC must meet triggers designed to demonstrate that competitors have made irreversible, sunk investments in the facilities needed to provide the services at issue. In particular, to receive pricing flexibility for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 15 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 30 percent of the LEC's revenues from these services within an MSA. In both cases, the price cap LEC also must show, with respect to *each* wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.
- 6. Higher thresholds apply for obtaining Phase I pricing flexibility for channel terminations between a LEC's end office and an end-user customer. A competitor collocating in a LEC end office continues to rely on the LEC's facilities for the channel termination between the end office and the customer premises, at least initially, and thus is more susceptible to exclusionary pricing behavior by the LEC. As a result, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues from these services within an MSA. Again, the LEC also must demonstrate, with respect to each wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.

<sup>&</sup>lt;sup>13</sup> See 47 C.F.R. § 22.909(a) (definition of MSA). See also Pricing Flexibility Order, 14 FCC Rcd at 14261, para. 76 (pricing flexibility will be granted to price cap LECs within the non-MSA parts of a study area if they satisfy the applicable triggers throughout that area).

<sup>&</sup>lt;sup>14</sup> A contract tariff is a tariff based on an individually negotiated service contract. *See Competition in the Interstate Interexchange Marketplace*, CC Docket No. 90-132, Report and Order, 6 FCC Rcd 5880, 5897, para. 91 (1991) (*Interexchange Competition Order*); 47 C.F.R. § 61.3(o). *See also* 47 C.F.R. § 61.55 (describing required composition of contract-based tariffs).

<sup>&</sup>lt;sup>15</sup> Pricing Flexibility Order, 14 FCC Rcd at 14287-88, para. 122.

<sup>&</sup>lt;sup>16</sup> *Id.* at 14234-35, para. 24.

<sup>&</sup>lt;sup>17</sup> *Id.* at 14274, para. 94.

<sup>&</sup>lt;sup>18</sup> Id. at 14274-77, paras. 95-98; 47 C.F.R.§ 69.709(b).

<sup>&</sup>lt;sup>19</sup> 47 C.F.R. § 69.709(b).

<sup>&</sup>lt;sup>20</sup> Pricing Flexibility Order, 14 FCC Rcd at 14279, para, 103.

<sup>&</sup>lt;sup>21</sup> *Id.* at 14280-81, paras. 105-06; 47 C.F.R.§ 69.711(b).

<sup>&</sup>lt;sup>22</sup> 47 C.F.R. § 69.711(b).

- 7. Phase II Pricing Flexibility. A price cap LEC that receives Phase II relief is allowed to offer dedicated transport and special access services free from the Commission's Part 69 rate structure and Part 61 price cap rules. The LEC, however, is required to file, on one day's notice, generally available tariffs for those services for which it receives Phase II relief.<sup>23</sup> To obtain Phase II relief, a price cap LEC must meet triggers designed to demonstrate that competition for the services at issue within the MSA is sufficient to preclude the incumbent from exploiting any individual market power over a sustained period. To obtain Phase II relief for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues from these services within an MSA.
- 8. Higher thresholds apply for obtaining Phase II pricing flexibility relief for channel terminations between a LEC end office and an end-user customer. To obtain such relief, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 65 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 85 percent of the LEC's revenues from these services within an MSA.<sup>25</sup> To obtain Phase II relief for dedicated transport and special access service, as well as channel terminations to end users, the LEC also must demonstrate, with respect to each wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.<sup>26</sup>
- 9. <u>Competitive Showing</u>. Pricing flexibility may be granted upon the satisfaction of certain competitive showings. An incumbent LEC bears the burden of proving that it has satisfied the applicable triggers for the pricing flexibility it seeks for each MSA.<sup>27</sup> For special access and dedicated transport services, the incumbent must identify: (1) the total number of wire centers in the MSA; (2) the number and location of the wire centers in which competitors have collocated; and (3) in each wire center on which the incumbent bases its petition, the name of at least one collocator that uses transport facilities owned by a provider other than the incumbent to transport traffic from that wire center. <sup>28</sup> In addition to these three requirements, the petitioner must show either: (A) that the percentage of wire centers in which competitors have collocated and use competitive transport satisfies the trigger the Commission adopted with respect to the pricing flexibility sought by the incumbent LEC;<sup>29</sup> or (B) that the percentage of total base period<sup>30</sup> revenues that are attributable to the wire centers upon which the petitioner relies satisfies the applicable pricing flexibility triggers.<sup>31</sup>

<sup>&</sup>lt;sup>23</sup> Pricing Flexibility Order, 14 FCC Rcd at 14301, para. 153; 47 C.F.R. § 69.727(b)(3).

<sup>&</sup>lt;sup>24</sup> Pricing Flexibility Order, 14 FCC Rcd at 14299, paras. 148-49; 47 C.F.R. § 69.709(c).

<sup>&</sup>lt;sup>25</sup> Pricing Flexibility Order, 14 FCC Rcd at 14235, para. 25; 47 C.F.R. § 69.711(c).

<sup>&</sup>lt;sup>26</sup> 47 C.F.R. §§ 69.709(c) and 69.711(c).

<sup>&</sup>lt;sup>27</sup> Pricing Flexibility Order, 14 FCC Rcd at 14309, para. 172.

<sup>&</sup>lt;sup>28</sup> 47 C.F.R. § 1.774(a)(3)(i)-(iii).

<sup>&</sup>lt;sup>29</sup> 47 C.F.R. § 1.774(a)(3)(iv)(A).

<sup>&</sup>lt;sup>30</sup> For price cap LECs, the "base period" is the 12-month period (i.e., the calendar year) ending six months before the effective date of the LECs' annual access tariffs. 47 C.F.R. § 61.3(g).

<sup>&</sup>lt;sup>31</sup> The revenues applicable to this requirement are those generated by the services for which the incumbent seeks relief. 47 C.F.R. § 1.774(a)(3)(iv)(B).

#### III. DISCUSSION

#### A. Preliminary Matters

- 10. Among the services for which AT&T seeks pricing flexibility relief are two new services, DecaMan and WaveMan, which are not currently incorporated into special access price cap baskets. The Commission's rules permit a price cap LEC to obtain pricing flexibility for a new service that has not been incorporated into a price cap basket by demonstrating that the new service would be properly incorporated into one of the price cap baskets and service bands for which the price cap LEC seeks pricing flexibility.<sup>32</sup> AT&T has demonstrated that these services would properly be incorporated within the special access price cap basket because they both are higher capacity, functionally equivalent variations of services that are currently incorporated into the high capacity special access and DDS services category within the special access basket.<sup>33</sup> Accordingly, we can consider AT&T's request for pricing flexibility for these services, even though they are not currently incorporated into special access price cap baskets.
- 11. Level 3 Communications, LLC (Level 3) filed an opposition to AT&T's petitions in which it asserts that the evidence submitted in support of AT&T's petitions may no longer be sufficient to predict the competitive entry necessary to justify relief from price regulation.<sup>34</sup> Level 3 also requests that the Commission conclude its special access rulemaking<sup>35</sup> before addressing AT&T's petitions.<sup>36</sup> In response, AT&T states that Level 3 raises no issues warranting denial of AT&T's petitions and that Level 3's assertions amount to collateral attacks on the Commission's rules and the *Pricing Flexibility Order*.<sup>37</sup> AT&T also contends that Level 3 has not provided evidence that AT&T's petitions fall short of the existing pricing flexibility requirements.<sup>38</sup>
- 12. We reject Level 3's request that the Commission conclude its special access rulemaking before addressing AT&T's petitions. In the *Special Access Order and NPRM*, the Commission found that there was insufficient record data to justify imposing a moratorium on pricing flexibility applications while the special access rulemaking is pending.<sup>39</sup> We also reject Level 3's argument regarding the adequacy of the Commission's pricing flexibility rules to identify competitive markets.<sup>40</sup> The pending special access rulemaking is the proper proceeding for Level 3 to present arguments for modification of the existing pricing flexibility rules. Furthermore, we have previously stated that we will not consider

<sup>&</sup>lt;sup>32</sup> 47 C.F.R. § 69.729(a).

<sup>&</sup>lt;sup>33</sup> See Letter from Sarah L. Green, Associate Director Federal Regulatory, AT&T Services, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WCB/Pricing File Nos. 06-08, 06-09 (filed February 16, 2006).

<sup>&</sup>lt;sup>34</sup> See Level 3 Opposition at 1.

<sup>&</sup>lt;sup>35</sup> Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25, Order and Notice of Proposed Rulemaking, 20 FCC Rcd 1994 (2005) (Special Access Order and NPRM).

<sup>&</sup>lt;sup>36</sup> See Level 3 Opposition at 1.

<sup>&</sup>lt;sup>37</sup> See Reply of AT&T Inc., WCB Pricing File Nos. 06-08 and 06-09 at 1 (filed Feb. 13, 2006) (AT&T Reply).

<sup>&</sup>lt;sup>38</sup> See AT&T Reply at 3.

<sup>&</sup>lt;sup>39</sup> See Special Access Order and NPRM, 20 FCC Rcd at 2035, paras. 128-30.

<sup>&</sup>lt;sup>40</sup> See Level 3 Opposition at 1-3.

collateral challenges to the *Pricing Flexibility Order* when reviewing a pricing flexibility petition.<sup>41</sup> Accordingly, we limit our analysis in this proceeding to whether AT&T has made the evidentiary showing required to receive pricing flexibility for special access and dedicated transport services as set forth in the Commission's rules.

#### B. Evaluation of AT&T's Petitions

- 13. AT&T seeks Phase I or Phase II pricing flexibility in ten MSAs or non-MSA areas for dedicated transport and special access services, and, in certain of these MSA and non-MSA areas, for channel terminations to end users. As noted above, pricing flexibility may be granted upon the satisfaction of certain competitive showings. An incumbent LEC bears the burden of proving that it has satisfied the applicable triggers for the pricing flexibility it seeks for each MSA or non-MSA area.
- 14. AT&T has demonstrated compliance with the requirements for Phase I and Phase II pricing flexibility. AT&T provided sufficient information to demonstrate that it meets the applicable pricing flexibility triggers for the relief it has requested. As explained in greater detail below, to make this showing, AT&T assigned wire centers to individual MSAs or non-MSAs and identified wire centers within each MSA or non-MSA where service providers have obtained collocation with alternative facilities other than AT&T-provided transport. AT&T also gathered revenue data from each company's data warehouse database, which is based on the Carrier Access Billing System (CABS), and AT&T attributed these revenues to specific wire centers. The revenues were then assigned either to Dedicated Transport and Special Access services (other than channel terminations to the end user), or to Channel Terminations to the End User services, based upon a combination of service class, rate element, and circuit location.
- 15. Ameritech. Ameritech directly mapped the following rate elements to a wire center: channel terminations and entrance facilities, channel mileage terminations, direct-trunked transport (fixed), other recurring charges (e.g., muliplexing), and non-recurring charges (where the wire center was known). For interoffice channel mileage, Ameritech attributed 50 percent of the revenue to each wire

<sup>&</sup>lt;sup>41</sup> See, e.g., Petition of Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Ameritech Wisconsin for Pricing Flexibility, Petition of Pacific Bell Telephone Company for Pricing Flexibility, Petition of Southwestern Bell Telephone Company for Pricing Flexibility, CCB/CPD File Nos. 00-26, 00-23, 00-25, Memorandum Opinion and Order, 16 FCC Rcd 5889, 5894, para. 13 (Com. Car. Bur. 2001).

<sup>&</sup>lt;sup>42</sup> See infra Appendices A and B. See also Ameritech Petition, Attachment A and B; SWBT Petition Attachment A and B. On February 8, 2006 AT&T (formerly SBC) revised Attachment A to its petitions to clarify that channel terminations between the serving wire center and end user premises, and the optional features and functions associated with these services, are found in the special access basket rather than the trunking basket. See Letter from Sarah L. Green, Associate Director Federal Regulatory, AT&T Services, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WCB/Pricing File Nos. 06-08 and 06-09 (filed February 8, 2006).

<sup>&</sup>lt;sup>43</sup> See Pricing Flexibility Order, 14 FCC Rcd at 14309, para. 172.

<sup>&</sup>lt;sup>44</sup> Ameritech Petition, App. D at 1; SWBT Petition, App. D at 1.

<sup>&</sup>lt;sup>45</sup> Ameritech Petition, App. D at 3; SWBT Petition, App. D at 3.

 $<sup>^{\</sup>rm 46}$  Ameritech Petition, App. D at 3; SWBT Petition, App. D at 3.

<sup>&</sup>lt;sup>47</sup> Ameritech Petition, App. D at 3, 8; SWBT Petition, App. D at 3, 8.

<sup>&</sup>lt;sup>48</sup> Ameritech Petition, App. D at 4.

center at the two ends of each individual circuit; for SONET rings, the mileage revenue was evenly allocated to the nodes in the ring.<sup>49</sup> For direct-trunked transport mileage, Ameritech attributed 50 percent to each wire center at the two ends of each individual circuit.<sup>50</sup> For non-recurring charges where the wire center was not known, revenue was allocated based on channel termination revenue.<sup>51</sup>

- 16. SWBT. SWBT directly mapped the following rate elements to a wire center: channel terminations and entrance facilities, fixed channel mileage, direct-trunked transport (fixed), and other recurring charges (e.g., multiplexing).<sup>52</sup> For interoffice channel mileage and direct-trunked transport mileage, SWBT attributed 50 percent of the revenue to each wire center at the two ends of each individual circuit.<sup>53</sup> SWBT allocated non-recurring charges based on channel termination revenue and entrance facility revenue.<sup>54</sup>
- 17. AT&T identified MSAs and non-MSAs that qualify for pricing flexibility by: (1) assigning wire centers to individual MSAs or non-MSAs and identifying wire centers within each MSA or non-MSA where service providers have obtained collocation with alternative facilities other than AT&T-provided transport; (2) calculating end-user channel termination revenue, together with all other special access and dedicated transport revenue earned in each MSA or non-MSA; (3) calculating end-user channel termination revenue, together with all other special access and dedicated transport revenue, that was attributable to each collocated wire center within the MSA or non-MSA; and (4) calculating the percentage of such revenue earned in the collocated wire centers against the total revenues earned in the MSA or non-MSA.
- 18. In accordance with the Commission's rules, AT&T served a copy of its petitions on each of the collocating carriers upon which it relied, including, for each collocator, the information about that party on which AT&T relied in its petitions.<sup>56</sup>
- 19. After reviewing AT&T's verification method, as described in the petitions, together with the data provided in the public and confidential versions of the petitions, we find that AT&T has met the applicable triggers in section 1.774 and Part 69 Subpart H of the Commission's rules.<sup>57</sup> The method used by AT&T to capture and assign revenues to particular services and wire centers is consistent with the method the Wireline Competition Bureau has approved in prior pricing flexibility applications.<sup>58</sup>

<sup>51</sup> *Id*.

<sup>54</sup> *Id*.

<sup>&</sup>lt;sup>49</sup> Ameritech Petition, App. D at 4-7.

<sup>&</sup>lt;sup>50</sup> *Id*.

<sup>&</sup>lt;sup>52</sup> SWBT Petition, App. D at 4.

<sup>&</sup>lt;sup>53</sup> *Id*.

<sup>&</sup>lt;sup>55</sup> Ameritech Petition, App. C; SWBT Petition, App. C.

<sup>&</sup>lt;sup>56</sup> Ameritech Petition, App. E; SWBT Petition, App. E.

<sup>&</sup>lt;sup>57</sup> 47 C.F.R. §§ 1.774 and 69.701-69.731.

<sup>&</sup>lt;sup>58</sup> See, e.g., Ameritech Petition for Pricing Flexibility for Special Access and Dedicated Transport Services, WCB/Pricing File Nos. 04-09, 04-10, 04-11, 04-12, 04-13, 19 FCC Rcd 10298, 10303-04, paras. 11-15 (Wireline Comp. Bur. 2004).

20. Based upon a review of the information submitted, and having considered the opposition received, we conclude that AT&T has satisfied its burden of demonstrating that it has met the applicable requirements for each of the various services in the MSAs and non-MSAs for which it requests relief.

#### IV. ORDERING CLAUSE

21. Accordingly, IT IS ORDERED that, pursuant to section 1.774 of the Commission's rules, 47 C.F.R. § 1.774, the *Pricing Flexibility Order*, and the authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the petitions filed by AT&T ARE GRANTED to the extent detailed herein.

FEDERAL COMMUNICATIONS COMMISSION

Donald K. Stockdale, Jr. Associate Chief, Wireline Competition Bureau

### APPENDIX A SERVICES QUALIFYING FOR PRICING FLEXIBILITY

#### **Ameritech**

#### Trunking Basket\*

Voice Grade LT-1 LT-3 Switched SONET Signaling SS7 Telecom Relay Service

### **Special Access Basket\*\***

Metallic

Telegraph Grade Direct Analog Program Audio Video (TV Analog, Digital, ASVS, AMVS, WAVS, SCVS) AIT Base Rate Service

AIT DS1

AIT DS3

Optical Carrier Network (OCN) 3, 12, 48, 192 Point to Point

AIT OC-3, 12, 48, 192 Dedicated Ring

Sonet Xpress Service

GigaMAN® (Gigabit Ethernet Metropolitan Area Network)

Multi-Service Optical Network (MON)

DecaMAN® (10 Gigabit Ethernet Metropolitan Area Network)

WaveMAN® (Wavelength Metropolitan Area Network)

<sup>\*</sup>Includes dedicated transport services (entrance facilities, direct-trunked transport, flat-rated portion of tandem-switched transport) and the optional features and functions associated with these services.

<sup>\*\*</sup>Includes channel terminations between the serving wire center and end user's premises, and the optional features and functions associated with these services.

#### **SWBT**

### **Trunking Basket\***

Voice Grade DS1 DS3 Switched Relianet

### **Special Access Basket\*\***

Metallic

Telegraph Grade

Voice Grade

Program Audio

Video

Megalink Data (DDS)

DovLink

High Capacity (DS1)

Megalink Custom (DS3)

Network Reconfiguration Service (NRS)

Transport Resource Management (TRM)

Broadband Circuit Services (BCS)

Self-Healing Transport Network (STN)

Relianet

Dedicated SONET Ring Service (DSRS)

OC-192 DSRS

Optical Carrier Network (OCN) 3, 12, 48, 192 Point to Point

GigaMAN® (Gigabit Ethernet Metropolitan Area Network)

Multi-Service Optical Network (MON)

DecaMAN® (10 Gigabit Ethernet Metropolitan Area Network)

WaveMAN® (Wavelength Metropolitan Area Network)

<sup>\*</sup>Includes dedicated transport services (entrance facilities, direct-trunked transport, flat-rated portion of tandem-switched transport) and the optional features and functions associated with these services.

<sup>\*\*</sup>Includes channel terminations between the serving wire center and end user's premises, and the optional features and functions associated with these services.

## APPENDIX B

## **AMERITECH**

# $\frac{PRICING \ FLEXIBILITY \ RELIEF \ FOR \ DEDICATED \ TRANSPORT \ AND \ SPECIAL \ ACCESS}{SERVICES}$

## MSA Type of Relief Requested

Cincinnati, OH-KY-IN	Phase II
Fort Wayne, IN	Phase I
Hamilton-Middletown, OH	Phase II
Jackson, MI	Phase II
Saginaw-Bay City-Midland, MI	Phase II
Non-MSA, WI	Phase I

## PRICING FLEXIBILITY RELIEF FOR CHANNEL TERMINATIONS TO END USERS

# MSA Type of Relief Requested

Cincinnati, OH-KY-IN	Phase I
Hamilton-Middletown, OH	Phase II
Jackson, MI	Phase II
Louisville, KY-IN	Phase II
Saginaw-Bay City-Midland, MI	Phase II

## **SWBT**

# $\frac{PRICING \ FLEXIBILITY \ RELIEF \ FOR \ DEDICATED \ TRANSPORT \ AND \ SPECIAL \ ACCESS}{SERVICES}$

MSA Type of Relief Requested

Fayetteville-Springdale, AR

Non-MSA, KS

Phase I

Non-MSA, MO

Phase I

## PRICING FLEXIBILITY RELIEF FOR CHANNEL TERMINATIONS TO END USERS

MSA Type of Relief Requested

Fayetteville-Springdale, AR Phase II